

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

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June 3, 2003

**FROM:** MARK H. UFFER, Director  
Arrowhead Regional Medical Center

**SUBJECT:** AGREEMENT WITH ANGELICA HEALTHCARE SERVICES GROUP

**RECOMMENDATION:** Approve Agreement with Angelica Healthcare Services Group for the provision of linen rental and laundry services to the Arrowhead Regional Medical Center for the period June 1, 2003 through June 30, 2006 in an aggregate amount not-to-exceed \$4,316,667.

**BACKGROUND INFORMATION:** This agenda item recommends approval of a new service agreement with Angelica Healthcare Services to provide linen rental and laundry services to the Medical Center and associated Family Health Centers.

Since May 1999, the Medical Center has utilized Angelica Healthcare Services Group through a rental-based agreement for laundry services. On a daily basis, Angelica picks-up the soiled linens from the Medical Center and replaces them with clean linens. The current Agreement with Angelica is set to expire May 31, 2003.

The Medical Center utilizes a rental-based agreement for its linen services. For this reason, on March 4, 2003, the Board of Supervisors authorized the Medical Center to issue a Request for Proposals (RFP) to provide linen rental and laundry services to the Medical Center and its associated Family Health Centers. The RFP was released and proceeded as scheduled through the vendor selection in April. The Medical Center contacted six vendors listed in the Yellow Pages. (There were no vendors listed on the County's Automated Purchasing System.) Of that six, three attended the mandatory pre-proposal conference and two submitted actual bid. As a result of the RFP, the Medical Center received proposals from Angelica Healthcare Services Group and Bellwood Linen and Laundry Services.

A multidisciplinary team of Medical Center staff, which included Nursing Administration, Environmental Services, Material Management, and Hospital Compliance departments, as well as representatives from Probation and County Purchasing, were selected to conduct the initial review of the RFPs. A recommendation was presented to the Medical Center's Administrative team, and the Administrative team concurred with the committee's recommendation to pursue an agreement with Angelica for linen rental and laundry services. The criteria used was not only the cost of the services, but also the proposers' ability to provide the required quantities of linen and laundry services to the Medical Center in a timely and efficient manner.

In thoroughly reviewing all the proposals presented, the review panel and Administration found that Angelica was best suited to provide the necessary linen rental and laundry services to the Medical Center. Angelica met all of the RFP requirements, is able to offer the Medical Center a competitive fee schedule, and the necessary services as required by a linen rental and laundry service vendor.

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Bellwood was unable to meet all of the RFP requirements, specifically, this firm could not meet the working capital requirement as specified in the RFP. The working capital requirement is essential to this Agreement since the Medical Center does not own its own laundry; the selected vendor must be able to immediately add commodities to its inventory if requested by the Medical Center during the term of this agreement.

As a result of the Medical Center's RFP for Linen Rental and Laundry Services, the County Probation Department is currently negotiating contract terms with Angelica. They will return to the Board within the month to present a contract for approval. The Medical Center determined it to be too difficult to merge the agreements since the Medical Center rents its linens and the Probation Department owns its linens.

**REVIEW BY OTHERS:** This item has been reviewed by County Counsel (Charles J. Larkin, Deputy County Counsel) on May 19, 2003, HSS Administration (Bea Valdez, Administrative Analyst) on May 21, 2003, and County Purchasing (Aurelio De La Torre, Director) on May 23, 2003.

**FINANCIAL IMPACT:** For FY 2002/03, the Medical Center will expend approximately \$1,340,000. This Agreement is for an amount not-to-exceed \$4,316,667 in the aggregate, or approximately \$1,400,000 per year. However, due to fluctuating patient volume and linen usage it is difficult to determine an exact amount the Medical Center will expend each year. This amount will be included in the Medical Center's proposed budget for FYs 2003/04, 2004/05, and 2005/06, and funded through operational revenues.

**COST REDUCTION REVIEW:** The County Administrative Office has reviewed this agenda item and recommends this action, because these services are necessary for the health of the Medical Center's patients and employees.

**SUPERVISORIAL DISTRICT(S):** All

**PRESENTER:** Mark H. Uffer, Director, Arrowhead Regional Medical Center, 580-6150

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